



Janette M. Labbee, Director

SmartPay Newsletter

August 2004

Year End Purchase Card Reconciliation

August 4 through September 3, 2004 purchase card transactions will be sent from the Commerce BankCard Center (CBC) to the DOC CAMS Centers and Finance offices on September 7.

In order to assist DOC with year end reconciliation and accruals, a second transaction file will be disseminated on September 24. This file will contain posted transactions from September 4 through September 23. A third file containing posted transactions from September 24 through September 30 will be disseminated on October 1. [Please follow your agency guidelines for year end processing.](#)

Even though CBC will send multiple files to assist DOC with year-end close out, Citibank will only mail paper statements following the cycle cut off dates of September 3 and October 1. If interim statements are needed to assist with reconciliation, please access Citibank's on line system at

www.cards.citidirect.com

If you need assistance, call Citibank at 1-800-790-7206. Dial Option 2 for CitIDirect, then Option 2 for Government Accounts.

1510 E. Bannister Road
Kansas City, Missouri 64131
Phone: 816-823-3847
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Leveraging Buying Power with Charge Cards

A recent GAO report, GAO-04-430, stated that the U.S. Government could potentially save up to \$300 million per year by pursuing discounts on purchases made with the purchase card. You can access this report on GAO's website at www.gao.gov and searching for report GAO-04-430. The report stated that several agencies had already experienced savings by leveraging buying power, among them USDA and Interior.

The USDA was able to leverage \$1.8 million in savings buying office supplies. Through using the agency's Integrated Acquisition System, USDA was able to target office supplies as a source of savings. They negotiated a BPA with Boise Cascade off the GSA Schedule, but obtained further discounts based on their historical and anticipated spending. Cardholders are required to use the BPA when ordering office supplies. A requirement in the BPA states that where possible,

Boise Cascade is required to provide JWOD products in lieu of their commercial products when JWOD products could fulfill the requirements. USDA is expanding this initiative to other areas, such as fire-fighting equipment, lab and scientific supplies, and cell phones.

The agency also identified discounts on certain purchase card transactions as part of a larger acquisition strategy. Interior used GSA Schedules as a starting point and negotiated further discounts through BPAs on computer equipment based on their spending patterns and forecast needs. Interior estimates savings of \$5 million through this initiative.

A/OPCs play a role in this process by working with banks to obtain data to identify areas for savings opportunities.

It is key for agencies to communicate with purchase cardholders regarding the require-

ments for using the BPAs when ordering certain supplies.

GSA is taking steps in accordance with GAO recommendations by 1) working with the banks to improve data capture and quality; 2) pursuing point of sale discounts with top retail merchants and major Schedule vendors; and 3) updating purchase cardholder training to include more information about comparing prices using GSA Advantage, GSA e-Buy, and providing links to the MasterCard and Visa Merchant Locators.

(Quoted from GSA Purchase Card Roundtable minutes—6/2004.)



Feel free to send your comments and suggestions to :
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Third Party Payment Services

At a recent GSA Purchase Card Roundtable meeting, agency representatives discussed the use of third party payment services, e.g., PayPal, for charge card transactions. DoD raised the question of whether other agencies prohibit use of third party payment services (TPPs) for charge card transaction (this is currently a DoD prohibition).

While EPA and Treasury do prohibit the use of TPPs, there are auditing problems related to such transactions, because the source merchant is unknown. However, GSA, Interior and SSA do allow cardholders to make transactions with merchants who use TPPs, citing that most transactions are not made with TPPs, and that most merchants who use

TPPs are small businesses, and to prohibit TPPs would be burdensome to those merchants. Agencies who do significant repeat business with a merchant who uses a TPP instead of becoming a Visa/MasterCard merchant are working with their banks to get those merchants to accept the cards directly. Quoted from GSA minutes 6/2004.